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SUBJECT: HHS SECRETARY LEAVITT'S VISIT TO NICARAGUA TO  
DISCUSS WATER QUALITY AND FOOD PRODUCT SAFETY

REF: A. STATE 58850  
1B. MANAGUA 450  
1C. MANAGUA 443  
1D. MANAGUA 761  
1E. MANAGUA 361  
1F. MANAGUA 848

Classified By: Ambassador Paul A. Trivelli for reasons 1.4 (b and d)

11. (SBU) Summary. Secretary of Health and Human Services (HHS) Michael O. Leavitt met with a calm and polite President Daniel Ortega on June 25 and 26 to discuss improving the water quality of Nicaragua's two "great" lakes. Secretary Leavitt blended the themes of his regional visit into a strong message connecting access to clean water to both healthy local consumption and the safety of food products for export, while promoting the idea of water quality training at the Regional Healthcare Training Center in Panama. Secretary Leavitt and President Ortega visited a public teaching hospital together. Secretary Leavitt and President Ortega took a one-hour boat tour on Lake Nicaragua, discussing pollution sources and the lake's potential for supplying drinking and irrigation water. Secretary Leavitt and Environmental Protection Agency (EPA) Assistant Administrator for Water Benjamin Grumbles offered to send an EPA/HHS technical team later in July to advise the Government of Nicaragua (GON) on its action plan for cleaning up and protecting Lake Nicaragua. Secretary Leavitt also met with the local American Chamber of Commerce (AMCHAM) and representatives of industrial, pharmaceutical, and agribusiness sectors to discuss food safety, the Bush Administration's Action Plan for Import Safety and a proposed Memorandum of Understanding on product safety between the United States and Central American countries. During a luncheon with opposition leaders and economists, participants briefed Secretary Leavitt on the increasing political and economic tensions around the country. Secretary Leavitt's final stop was a public diplomacy event with some 90 medical students at the Nicaraguan National Autonomous University (UNAN) in Managua. Local press coverage of the visit was ample and positive. End summary.

Meeting with the President

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12. (U) Secretary of Health and Human Services (HHS) Michael 10. Leavitt met with President Daniel Ortega on June 25 and 126. Arriving from a Product Safety Summit in San Salvador on the 24th and departing for Panama on the 26th to visit the Central American Regional Healthcare Training Center, Secretary Leavitt came to Nicaragua at the invitation of President Ortega to tour Lake Nicaragua (Cocibolca). The visit presented Secretary Leavitt with the opportunity to discuss water quality and watershed management issues, and their relation to food safety. Secretary Leavitt was

accompanied by a high-level HHS delegation and the Environmental Protection Agency (EPA) Assistant Administrator for Water Benjamin Grumbles.

¶13. (U) Secretary Leavitt's first meeting with President Ortega, on June 25 at the Sandinista (FSLN) Political Party Headquarters, was attended by Minister of Health Guillermo Gonzalez, Vice Minister of Environment Roberto Araquistain, President of the National Water Board (ENACAL) Ruth Selma Herrera, and other government officials, including First Lady Rosario Murillo, Nicaraguan Ambassador to the United States Arturo Cruz, President of the National Social Security Institute Roberto Lopez, President of the Health Workers Union Gustavo Porras, and Chief of the Foreign Affairs Ministry's Americas Desk Orlando Gomez.

¶14. (U) A calm and polite Ortega introduced the topic of water quality of Nicaragua's two "great" lakes -- Lake Nicaragua (Cocibolca) fronting the city of Granada and Lake Managua (Xolotlan) fronting the city of Managua -- and their importance to economic growth and human health. The entire meeting was broadcast live on national television and radio. Ortega described Nicaragua's two principal lakes and their tributaries as having been polluted by industrial and agricultural waste, aquaculture, and raw sewage. He highlighted the potential of Lake Nicaragua as a source of water for irrigation, drinking, hydropower, and as a tourist destination. Ortega recognized the importance of water quality to food safety. Noting the potential for agriculture in Nicaragua, Ortega highlighted the need for improved technology and foreign investment to raise productivity, and to enhance food safety and the human health of agricultural workers.

¶15. (U) Secretary Leavitt blended the themes of his regional tour into a strong message connecting access to clean water to both healthy local consumption and the safety of food products for export, while promoting the idea of water quality training at the Regional Health Training Center in Panama. He expressed interest in preserving Lake Nicaragua and promised U.S. technical expertise to assist Nicaragua's efforts to clean it up, comparing the effort to that of the United States, in cleaning up the Great Lakes. Secretary Leavitt tied the need for clean water to the growing U.S.-Nicaragua trade relationship under CAFTA by highlighting the importance of producing clean, high quality food for export, as well as local consumption. He spelled out President Bush's Action Plan for Import Safety, which was presented at a Product Safety Summit in El Salvador the previous day. He acknowledged the growing importance of Central American food exports to the United States, specifically highlighting the prevalence of Nicaraguan labels in U.S. supermarkets.

¶16. (U) Dr. Jaime Incer Barquero, President of FUNDENIC SOS/Fondo Natura, a local nongovernment organization (NGO) dedicated to sustainable development and natural conservation, made an impassioned plea for environmental policies that will preserve Lake Nicaragua as the country's most important natural resource. He warned of the risk of desiccation within 25 years as a result of climate change and population pressures on the lake. Dr. Incer stressed the first step is to conduct a comprehensive assessment and monitoring program to determine the level, composition, and source of contamination. Echoing Secretary Leavitt's theme, he stated, "The state of a country's health depends on the state of the environment; a sick people equates to a sick ecology." ENACAL President Herrera announced that for the past year, ENACAL has been monitoring lake water quality along 28 fixed points, in preparation for the construction of drinking water pipelines from the lake to three growing Pacific Coast communities, including tourism mecca San Juan del Sur. She acknowledged that these pipeline projects could begin soon, which will require an immediate effort to protect the lake from solid waste -- including plastics and tires. She cited ENACAL's legally mandated role as protector of all sources of drinking water in Nicaragua.

¶7. (U) EPA Assistant Administrator Grumbles expressed willingness to share his agency's legal, regulatory, and technical expertise with the GON as it makes plans to clean up Lake Nicaragua and Lake Managua. He emphasized that the central focus of any effort should be the prevention of pollution through education. In response to Secretary Leavitt's introduction of the Regional Healthcare Training Center, Health Minister Gonzalez noted that quite a few Nicaraguan healthcare workers had received training there in the last year, including participation in a program on avian influenza epidemiology. The Minister discussed a new alliance with the Nicaraguan National Autonomous University (UNAN) of Leon to develop a quality control laboratory for medicines.

¶8. (U) Secretary Leavitt concluded by proposing a product safety Memorandum of Understanding (MOU) between the United States and all Central American countries. HHS's objective is to encourage independent product safety certifications for exports to the United States that would obviate inspections at the port of entry. The certification program would require common food safety regulations and inspection standards throughout Central America. The Regional Healthcare Training Center in Panama City would offer courses on food safety. Secretary Leavitt highlighted that having certified exports would increase opportunities for Nicaragua's agricultural sector. He used the recent example of salmonella-tainted Honduran cantaloupe exports to impart a sense of urgency for the MOU. Ortega welcomed the program and all U.S. assistance to Nicaragua in this area.

#### Hospital Visit

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¶9. (U) Secretary Leavitt, President Ortega, and their respective delegations immediately proceeded to Hospital Manolo Morales. (Note: Much to the surprise of Secretary Leavitt's security detail, Ortega jumped behind the wheel of an SUV and drove Secretary Leavitt to the hospital himself. End note.) The facility serves as a public teaching hospital specializing in orthopedic medicine and surgery. Secretary Leavitt and the President toured various wards, led by the Director General of the Hospital Dr. Ariel Herrera. Ortega and Secretary Leavitt spoke with patients and staff, and paid specific visits to the HIV/AIDS inpatient center. The visit, covered in full by GON-invited press, offered Secretary Leavitt the opportunity to assess the quality of Nicaraguan health care at a typical general practice facility. Most of the patients directed their comments to President Ortega, detailing their needs, the hardships endured by their families, and the lack of resources at the hospital and in regional medical clinics. Several patients refused to speak to President Ortega or Secretary Leavitt.

¶10. (SBU) Throughout the tour the Minister of Health rattled off statistics on the decline in Nicaragua's health over the last 16 years. (Comment: This is common FSLN propaganda that contradicts the National Demographic Health Survey. President Ortega and the FSLN-affiliated media used this visit as a propaganda opportunity in response to other media criticism earlier in the week regarding the GON's lack of support for HIV/AIDS victims. Several patients during the visit specifically complained that anti-retrovirals were out of stock. End comment.)

#### American Chamber of Commerce Breakfast

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¶11. (U) On June 26, Secretary Leavitt met with the Nicaraguan American Chamber of Commerce (AMCHAM) and representatives of industrial, pharmaceutical, and agribusiness sectors to discuss product safety and Secretary Leavitt's proposed MOU. Secretary Leavitt contrasted the current method of catching unsafe products at border inspection points against his vision of encouraging in-country certification according to international standards by ensuring producers build safety into their products right from the start. He proposed the development of a regional MOU within two months, starting

with a few product lines before expanding to others. He expects the private sector, rather than the government, to play a leading role in developing appropriate standards.

¶12. (U) Secretary Leavitt explained the Action Plan on Import Safety through two examples. One, from a Texas processing plant, demonstrated the "know your grower" principle, by which the supplier must provide information on soil and water quality, fertilizer and pesticide use, and delivery and transport methods. The second, from a red pepper farm from India, demonstrated the idea "from the ground up." Labels of products made with the peppers contain traceability information to fulfill the requirements of a large retail chain, which shows how the private sector's response to market demands is swifter than government regulation, as India's Spice Board is now developing national traceability standards.

¶13. (U) Secretary Leavitt emphasized that the idea is not to invent new standards, but rather to work with already-established standards created by reputable organizations. Once products have earned certification, they will enter the U.S. market more quickly; without certification, they risk heightened border scrutiny and delays. Secretary Leavitt recognized that producers may have to adopt new technology, but the assured market entry should offset the investment. Lastly, he explained that all these changes are a direct result of globalization. There are three responses to changes in the global market: 1) resist and fail, 2) go along and survive, or 3) lead and prosper.

Lake Nicaragua Boat Tour

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¶14. (U) While waiting the next morning for President Ortega to arrive at the Port in Granada for a tour of Lake Nicaragua, Secretary Leavitt and EPA Assistant Administrator Grumbles met with Environment Vice Minister Araquistain, ENACAL President Herrera and Dr. Incer. The group discussed the GON's creation of an "environmental network" among the 32 municipalities around Lake Nicaragua and Lake Managua, called AMUCRISAN. The GON will develop a national action plan for cleaning up and protecting the lake based on action plans formulated by each municipality. The action plan will center on sustainable development, cleaning up the lakes, protecting the environment, and educating the population. The environmental aspects of the plans include reforestation, watershed management, soil conservation, and establishing protected areas. Incer requested assistance in conducting a baseline assessment of pollutants in the lake and an effective response. Herrera presented ENACAL's plan for cleaning up the lake that focused on four key areas: elimination/reduction of agrochemicals used by farmers along the rivers that feed into the lake (most polluting), reforestation, education of producers, and construction of waste water treatment infrastructure. Assistant Administrator Grumbles committed to sending a technical EPA team augmented by HHS to help the GON with its action plan and to share lessons learned and best regulatory practices.

¶15. (U) Secretary Leavitt and President Ortega then took a one-hour boat tour on Lake Nicaragua aboard a Nicaraguan Port Authority ferry. Dr. Incer served as guide and discussed the history, geographical dimensions, ecological diversity, and sources of pollution of the lakes. He also described the lake's potential for supplying water for drinking and irrigation. Vice Minister Araquistain presented the GON's efforts to develop the action plan with the 32 municipalities around the lakes. Secretary Leavitt and Assistant Administrator Grumbles repeated to Ortega their commitment to send an EPA/HHS technical team to offer advice on the lake action plan. They insisted, however, that the GON must have a preliminary plan on paper and be ready for detailed discussions to make the effort productive. Secretary Leavitt introduced Chief Environmental Health Officer Captain Craig Shepherd from the Department's Centers for Disease Control and Prevention, who highlighted the key role of educating the population about water sanitation and waste control. While

it takes a generation to show permanent results, education is "the best preventative medicine."

¶16. (C) In a final one-on-one meeting with Ortega at the dock, Secretary Leavitt recapped the purpose of the visit and tied together water sanitation with food safety. He emphasized the need for product safety standards that include water used to irrigate crops. He promised that his staff will work with the Ministry of Health regarding an MOU on the product/export safety. In closing, Secretary Leavitt emphasized that change is possible when the economy is growing since new investors will seize the opportunity to set up clean businesses in Nicaragua, develop an industrial base, pay taxes, and contribute to Nicaragua's export development. Secretary Leavitt warned, however, that investors will only come if they believe they will be treated fairly and predictably. Secretary Leavitt told Ortega that he needs to send positive signals to investors. Ortega assured Secretary Leavitt that while "there is a lot of noise in Nicaragua, investment is up and (the government) is interested in more U.S. investment."

Opposition Leader Luncheon

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¶17. (C) During a luncheon with opposition leaders and economists, Secretary Leavitt learned about the increasing political and economic tensions around the country.

Secretary Leavitt's guests were Eduardo Montealegre, Managua mayoral candidate and opposition political leader; Francisco Aguirre Sacasa, a leading Constitutional Liberal Party (PLC) deputy and President of the National Assembly Economic Commission; Mario Arana, Executive Director of the Nicaraguan Foundation for Economic and Social Development (FUNIDES) and a former Minister of Trade and Central Bank President; Erwin Kruger, former President of the Nicaraguan Federation on Business Associations (COSEP) and current publisher of the finance magazine Dracma; and Roberto Zamora, President of Bancentro, Nicaragua's second largest commercial bank.

¶18. (C) The discussion highlighted Nicaragua's current economic challenges of high inflation (caused by high food and oil prices, and wage hikes), slowing U.S. and Nicaraguan growth, a deteriorating investment climate, and management of domestic debt (Refs B and C). Participants noted that there are opportunities in high food commodity prices, the banking sector is strong, the country is close to major markets, and labor costs are low, but politics has hampered growth.

¶19. (C) Montealegre and Aguirre warned that Ortega's goal was to eliminate his political opposition and remain in power for as long as possible by changing the political system from a presidential to a parliamentary one. Aguirre observed that Ortega has two sides, "Like Dr. Jekyll and Mr. Hyde. You (Secretary Leavitt) have been meeting with Dr. Jekyll; we Nicaraguans get Mr. Hyde." Montealegre said that the political situation is worse than seven years ago, when corrupt former President and convicted felon Arnoldo Aleman provoked an economic and political crisis. Ortega is preying upon an opposition fractured and distracted by Ortega's and Aleman's shared control of government institutions and the judiciary. Political apathy plays into the hands of Ortega. Montealegre and Aguirre both agreed that the combination of a dangerous economic situation and a "closing of political space" through the recent deregistration of two small opposition parties (Ref D) could result in political and social upheaval. At one point, Montealegre called Ortega an "opportunist . . . interested only in the money." In response to Secretary Leavitt's question as to what the United States can do to help, Montealegre and Aguirre agreed that the United States needs to remain engaged by sending visitors, setting conditions on assistance, focusing on rule of law issues, and insisting on accountability.

University Public Diplomacy Event

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¶20. (U) Secretary Leavitt's final stop was a public diplomacy

event with some 90 medical students at the Nicaraguan National Autonomous University (UNAN) of Managua. After presenting a biographical sketch, Secretary Leavitt took questions from the students. A question on environmental assistance allowed Secretary Leavitt to link clean water, health, and safe food exports. In response to a question on health insurance reform, Secretary Leavitt expounded on his belief in healthcare competition, the power of the consumer, and the role of the market in safely and efficiently distributing products. Secretary Leavitt summed up his preventive approach to health care by stating, "If you change a heart, you can change a nation."

Media Assessment

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**¶21.** (SBU) Coverage of Secretary Leavitt's visit was robust across all media. The "official" Sandinista television and radio stations used the hospital and lake tours to portray President Ortega as friendly to the United States, in sharp contrast to his usual anti-U.S. rhetoric. Official radio broadcast live coverage of most of Ortega's activities with Secretary Leavitt, including Secretary Leavitt's visit to the FSLN headquarters, the hospital tour, and the boat tour. Official television later broadcast hours of video from the visit with propaganda voice-over promoting Ortega.

**¶22.** (U) Independent and opposition media generally treated the United States favorably, highlighting Secretary Leavitt's commitment to product safety while criticizing inconsistencies in Ortega's public messages. Both major print dailies focused on the fact that President Ortega personally "chauffeured" Secretary Leavitt from the FSLN Secretariat to the Hospital. Channel 2, cable-only channel 11, and Pacific Coast-coverage Channel 10 covered the hospital visit. Channels 2 and 10 interviewed HHS Special Assistant for International Affairs William Steiger regarding the visit, while official Sandinista stations shied away from giving U.S. officials air time. At least 6 national and cable TV stations, both major newspapers, and 3 radio stations reported on Secretary Leavitt's visit to the Nicaraguan National Autonomous University (UNAN) of Managua. Center-left national daily *El Nuevo Diario* (circulation 30,000) featured an exclusive interview with Secretary Leavitt, mainly focused on product safety issues. The article mentioned that Secretary Leavitt's visit was not related to the MANPAD missile-medical assistance exchange proposal currently under discussion (Ref E).

Comment: Dr. Jekyll, Mr. Ortega

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**¶23.** (C) As we have seen with other high-level U.S. visitors, Ortega shelved his bellicose rhetoric in favor of cordiality during Secretary Leavitt's visit. While Secretary Leavitt was treated to "Dr. Jekyll," GON cooperation on organization of the visit epitomized the "Mr. Hyde" characteristics of this administration. Messages came and went through various Ministries, the Office of the First Lady, and even the Nicaraguan Embassy in Washington, before it became clear that First Lady Rosario Murillo was handling the visit herself. Murillo limited contact between the Embassy and the GON, and waited until the last possible moment to interact. Decisions on a meeting and a joint visit to a hospital were left until hours before Secretary Leavitt arrived, and the lake tour was left for Ortega and Secretary Leavitt to decide at their first encounter. Ministry officials were completely uninformed about their role and relied upon the Embassy as their primary source of information.

**¶24.** (U) Secretary Leavitt's staff cleared this cable.  
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